

1 Q. Under the assumption that the existing (forecast) segregated load variation balance
2 is ordered by the Board to be allocated to customer balances as at December 31,
3 2013 as well as June 30, 2014 on an interim basis using the proposed approach in
4 Hydro's GRA application (i.e., by load ratios), please provide the calculations of the
5 revised IC and NP riders that would be applicable as of July 1, 2014.

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8 A. The IC and NP RSP rates that would be applicable as of July 1, 2014¹ based on
9 revised RSP balances for December 31, 2013 for the IC and March 31, 2014 for NP
10 are summarized below. Attachments 1 and 2 to this response provide the
11 supporting calculations for the revised current balance riders.

	Proposed (mills/kWh)	Revised (mills/kWh)
Newfoundland Power		
Current Balance	(5.51)	(7.99)
Fuel Rider	15.26	15.26
Total RSP Rate	9.75	7.27
Industrial Customers		
Current Balance	1.68	0.35
Fuel Rider	14.90	14.90
Total RSP Rate	16.58	15.25

¹ Per the RSP rules, the NP RSP adjustment rate is effective July 1, 2014 and the IC RSP adjustment rate is effective January 1, 2014. Hydro has proposed that the IC current plan RSP rate become effective July 1, 2014 in its Second Interim Rates Application.

NEWFOUNDLAND AND LABRADOR HYDRO
IC RATE STABILIZATION PLAN ADJUSTMENTS
SIR-IC-NLH-015 Scenario

Page 1 of 1

2014

Line No	Calculation of Industrial Customer RSP Rate	Amount	Comments
	Current Plan		
1	December Balance (Revised)	\$ 116,984	
2	Adjustment	\$ -	
3	December Balance less load variation & interest	\$ 116,984	Line 1 minus Line 2
4	Forecast Financing Costs to December 31, 2013	\$ 4,640	Line 25
5	Total	\$ 121,624	Line 3 plus Line 4
6	12 months to date (Jan - Dec) Industrial Customer Sales (kWh)	divided by 351,353,424	December RSP 2013
7	(mills per kWh)	0.35	Line 5/Line 6*1000
	Fuel Price Projection Rider		
8	Industrial Fuel Price Projection	\$ 5,236,905	Industrial Filing Oct 2013
9	12 months to date (Jan - Dec) Industrial Customer Sales (kWh)	divided by 351,353,424	December RSP 2013
10	(mills per kWh)	14.90	Line 8/Line 9*1000
11	Total Current Plan (mills per kWh)	15.25	Line 7 plus Line 10
	Industrial RSP Adjustment Rate	15.25	Line 11

Industrial Customer Forecast Financing Charges
2014

2007 Test Year Weighted Average Cost of Capital per annum		7.529%		
Nominal Financing Rate		7.281%		
	Sales kWh	Financing Costs	Adjustment	Total To Date Balance
12	Balance Forward			116,984
13	January	31,612,740	710	(11,064)
14	February	25,864,750	647	(9,053)
15	March	30,955,597	596	(10,834)
16	April	32,198,035	534	(11,269)
17	May	31,721,670	469	(11,103)
18	June	27,547,154	404	(9,642)
19	July	21,332,877	348	(7,467)
20	August	29,286,623	305	(10,250)
21	September	28,595,423	245	(10,008)
22	October	24,799,284	185	(8,680)
23	November	33,552,362	134	(11,743)
24	December	33,886,909	63	(11,860)
25	Total	351,353,424	4,640	(122,974)

SCHEDULE A
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN FUEL PRICE PROJECTION RIDER
No. 6 0.7% Sulphur Fuel Price Projection
Utility Customer
SIR-IC-NLH-015 Scenario

Line

No	Calculation of Utility RSP Rate	Amount	Comments
1	March Fuel Price Projection	\$ 105.60	From Page 2
2	2007 Test Year Fuel Forecast Price	\$ 55.40	
3	Forecast Fuel Price Variance	\$ 50.20	Line 1 - Line 2
4	2007 Test Year No. 6 Barrels Consumed	1,878,188	From Line 41
5	Forecast Fuel Variance	\$ 94,285,038	Line 3 x Line 4
6	Utility Customer Allocation Ratio for March	93.84%	From Line 8
7	Utility Customer Allocation	\$ 88,477,079	Line 5 x Line 6

	Calculation of Customer Allocation	kWh	Percent of Total	Allocation of Rural	Total
8	12 months to date (Apr 2013-Mar 2014) Utility Sales	5,796,147,497	87.52%	6.32%	93.84%
9	12 months to date (Apr 2013-Mar 2014) Industrial Customer Sales	357,155,092	5.39%	0.00%	5.39%
10	12 months to date (Apr 2013-Mar 2014) Bulk Rural Energy	469,518,334	7.09%	-7.09%	0.00%
11	Total	6,622,820,923			

	Calculation of Utility Customer RSP Rate	Amount	Comments
	<u>Rate Rider</u>		
12	Utility Allocation March	\$ 88,477,079	From Line 7
13	12 months to date Utility Sales (kWh)	5,796,147,497	From Line 8
14	Fuel Projection Rider (mills per kWh)	15.26	Line 12/Line 13 x 1000
15	<u>March Balance (Revised)</u>	\$ (56,874,565)	
16	Forecast Financing Costs	\$ (2,834,928)	From Line 38
17	Forecast Recovery to June 30	\$ 13,426,103	Lines 23 to 25
18	Total to be recovered	\$ (46,283,389)	Lines 15 to 17
19	12 months to date (Apr 2013-Mar 2014) Utility Sales	5,796,147,497	From Line 8
20	Balance Rate (mills per kWh)	(7.99)	Line 18/Line 19 x 1000
21	RSP Adjustment Rate (mills per kWh)	7.27	Line 14 + Line 20

Utility Forecast Recovery
2013 - 2014

2007 Test Year Weighted Average Cost of Capital per annum	7.529%			
Nominal Financing Rate	7.281%			
	Sales kWh	Financing Costs	Adjustment	Total To Date Balance
22	Balance Forward			\$ (56,874,565)
23	April	493,810,883	\$ (345,086)	\$ 5,436,858
24	May	387,912,808	(314,192)	4,270,920
25	June	337,722,526	(290,185)	3,718,325
26	July	298,446,496	(269,384)	2,383,155
27	August	294,706,004	(256,559)	2,353,286
28	September	293,845,194	(243,837)	2,346,412
29	October	405,323,940	(231,080)	3,236,592
30	November	498,223,042	(212,844)	3,978,410
31	December	711,965,166	(189,996)	5,685,183
32	January	701,822,280	(156,654)	5,604,190
33	February	668,138,074	(123,601)	5,335,215
34	March	704,231,084	(91,980)	5,623,425
35	April	493,810,883	(58,418)	3,943,178
36	May	387,912,808	(34,847)	3,097,561
37	June	337,722,526	(16,264)	2,696,781
38	Total		\$ (2,834,928)	\$ 59,709,492

2007 Test Year Barrels Adjusted for Reduction in Corner Brook Pulp and Paper Limited (CBPP) and Abitibi Consolidated (Grand Falls) Load

39	2007 Test Year Barrels of No. 6 Fuel forecast to be consumed at Holyrood	2,467,396
	Less: Reduction in Test Year Barrels of No. 6 Fuel approved in Board Order No. P.U. 11 (2008) to reflect reduction in CBPP load and in compliance with Board Order No. P.U.22 (2009).	(589,208)
41	Adjusted 2007 Test Year Barrels of No. 6 Fuel forecast to be consumed at Holyrood	1,878,188

NEWFOUNDLAND AND LABRADOR HYDRO
Fuel Price Projection
As at March 31, 2014

SCHEDULE A
Page 2 of 2

	\$/bbl
PIRA Forecast \$ US/bbl ⁽¹⁾	
July	103.55
August	105.00
September	103.06
October	97.79
November	95.10
December	92.30
January	92.50
February	91.01
March	90.30
April	90.40
May	90.65
June	91.94
Average \$US/bbl ⁽²⁾	95.30
NLH TestYear Contract Discount (\$US/bbl)	<u>(0.218)</u>
	\$95.08
Can\$/US\$ Noon Exchange Rate ⁽³⁾	<u>1.1107</u>
NLH Fuel Price Projection (\$Can/bbl) ⁽²⁾	<u>\$105.60</u>

Notes:

- (1) The forecast for July to June is based on the PIRA Energy Group, World Oil Market Forecast, dated March 25, 2014.
- (2) Price per barrel is rounded to the nearest \$0.05.
- (3) Monthly average of the Bank of Canada Can\$/US\$ Noon Exchange Rate for the month of March 2014, rounded to 4 decimal places.